

APPENDIX D

Water and Sewer System Industry Rules

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1. Applicability

These Industry Rules augment the General Rules of General Order 96 as they apply to the filing of advice letters for water (see Public Utilities (PU) Code Sections 241 and 2701 et seq.) and sewer system (see PU Code Section 230.6) utilities (see PU Code Section 216). For convenience, these rules contain references (“see _____”) to specific General Rules (as well as the PU Code, these Industry Rules and Exhibits, Standard Practices and Procedural Guidelines), but all applicable provisions of the General Rules must be complied with, whether referenced in these Industry Rules or not.

2. Definitions

All definitions contained in General Rule 3 are incorporated in these Industry Rules. Additional definitions are provided below:

2.1. Balancing Account

(see PU Code Section 792.5)

A deferred debit or credit account used to track specifically defined expenses and revenues.

2.2. Class A Utility

(see PU Code Sections 230.5, 230.6, 240, 242 and 2701)

A Commission-regulated water or sewer system utility serving over 10,000 service connections.

2.3. Class B Utility

A Commission-regulated water or sewer system utility serving over 2,000 through 10,000 service connections.

2.4. Class C Utility

A Commission-regulated water or sewer system utility serving over 500 through 2,000 service connections.

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2.5. Class D Utility

A Commission-regulated water or sewer system utility serving 500 service connections or less.

2.6. Comment

A letter or other communication from an interested party that concerns an advice letter and that is provided as information to staff.

2.7. Compliance Advice Letter

An advice letter requesting relief specifically ordered or authorized for a utility or utilities by a Commission decision or resolution containing tariff sheets to be filed.

2.8. Informal General Rate Case

A General Rate Case (GRC) for a Class B, C or D water and sewer system utility that is not requested by formal application.

2.9. Memorandum Account

An account that, as specifically approved by Commission resolution or decision and described in the preliminary statement of the tariff book, tracks specifically defined and subsequently-incurred costs. These costs may be considered for recovery in the future.

2.10. Offsettable Memorandum Account Expense

When costs in a memorandum account are approved by the Commission for recovery, they become offsettable expenses. Recovery of offsettable expenses must be tracked using a balancing account.

2.11. Offsettable Expense

Expenses in a balancing account that have been approved for recovery by the Commission.

2.12. Proposed Resolution

A draft resolution prepared by staff that is sent to interested parties for reaction.

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2.13. Standard Practice or Procedure Guideline

A Water Division document that provides procedural guidelines for submitting, processing and evaluating utility filings and creating Water Division work products. Copies of these documents are available on request from the Water Division.

3. Filing Advice Letters

3.1. Method

(see General Rule 7)

Advice letters shall be submitted for filing:

- (a) In person, by delivery service or by mail at the Water Division, Room 3102, State Building, 505 Van Ness Ave., San Francisco, 94102. Submit six copies of each advice letter and tariff sheets and two copies of workpapers (if any), or
- (b) By facsimile at (415) 703-4426 (703-4H2O), or
- (c) By electronic mail at water_division@cpuc.ca.gov

between the hours of 8 AM and 4 PM on business days. If delivered after 4 PM the date of filing shall be no earlier than the next business day.

One copy of the advice letter and tariff sheets shall be returned to the utility, stamped with the date of filing. Class A utilities shall submit two copies of the advice letter in folders arranged as directed by Water Division.

3.2. Types

(see General Rule 5)

The following types of filings shall be made by advice letter:

- (a) All tariff sheet changes (additions, deletions and modifications);
- (b) Informal GRCs;
- (c) Notice of Adoption. Following the sale or transfer of a utility, a notice that the effective tariffs of the previous owner are being adopted by the new owner for the same service area. A new Title Page and Tables of Contents for the sold or

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transferred utility, showing the new owner and contact person information on the Title Page, shall be attached to the advice letter;

- (d) Requests for deviations from tariff provisions;
- (e) Requests for approval of special contracts;
- (f) Requests for pass through of offsettable cost increases and recovery of balancing account balances;
- (g) Requests for step rate and attrition increases;
- (h) requests for recovery of memorandum account balances for Class B, C or D water utilities and sewer system utilities;
- (i) Other advice letters listed in Industry Rule 11; and
- (j) Any other filing the Commission requires or authorizes to be made by advice letter.

3.3. Contents

(see Exhibit A of these Industry Rules for examples. See Rule 2 of the Commission's Rules of Practice and Procedure for physical specifications.)

All advice letters shall:

- (a) be numbered chronologically beginning with No. 1 for the first advice letter submitted by a public utility for each class of utility service rendered;
- (b) state the purpose of the advice letter and whether requesting ministerial or discretionary review (see Industry Rules 7.1 and 7.2);
- (c) list the sheet numbers, titles of the new tariff sheets and the sheet numbers of sheets proposed to be replaced for all tariff sheets being submitted (if any). At the utility's option, sheet numbers may be left blank. If the utility chooses to number the tariff sheets:
 - (1) The first sheet of the Table of Contents shall have the highest sheet number
 - (2) Sheet numbers shall not be used more than once
 - (3) Each multiple-service utility shall use a letter suffix as part of the "Cal. P.U.C. Sheet No." to designate the kind of service involved, as follows:

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Sewer System.....SS

Water.....W

- (e) list the proposed date the tariff sheets are to become effective;
- (f) indicate how the filing was noticed and to whom (see (m) below);.
- (g) contain a list or narrative description of each change in rate or charge, or change in condition which may result in a change in rate or charge, more or less restrictive conditions, or withdrawal of service;
- (h) describe whether or not deviations or conflicts will be created, or service withdrawn from any present user;
- (i) if a compliance filing, cite the number and date of the decision or resolution that authorized the filing, the date the filing was due (if applicable) and the requested effective date. If the filing was submitted later than the due date, state a reason for the late filing and a request that the late filing be accepted;
- (j) if requesting discretionary review, state the need for the requested action and the justification. If the Commission has approved similar requests in the past, include the number and date of the authorizing resolution. The workpapers shall provide a complete and comprehensible analytical justification for the action described in the advice letter.
- (k) when the filing establishes a new service, describe the genesis and reason for the new service and the impact of the service on other customers and the company;
- (l) list employees designated by the utility to receive any protests or responses and who will act as the contact for all data requests and requests for clarification, with address, telephone number, facsimile number (and electronic mail (e-mail) address if the utility is willing to accept protests and data requests by e-mail);
- (m) if necessary, attach a list of the entities served with the advice letter (if the list is identical to a prior service list, reference to the service list of the advice letter or application with number and date is adequate);
- (n) if applicable, attach a copy of the contract or deviation;
- (o) for offset, step and attrition filings, include the weather-normalized means test calculations; and

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- (p) if necessary, attach workpapers or any other justification necessary for review of the advice letter. Informal GRC advice letters shall contain the standard data request information and completed workpaper forms available from the Water Division.

4. Notice

(see PU Code Sections 454 and 491)

4.1. Customer Notice

(see General Rule 4.2)

Customer notice may be given by a legal notice in a newspaper of local circulation if the requested revenue increase is less than ten percent of the company's or district's last authorized revenue requirement, or shall be given by bill insert or separate mailing if not done by legal notice or if the revenue increase is ten percent or greater than the company's or district's last authorized revenue requirement. Utilities requesting authority to increase rates shall notice the increase in dollar and percentage terms, giving impacts on specific rates, a brief statement of the reasons the increase is sought or required, and the requested or expected effective date.

Compliance advice letters need not be noticed to the customers except that for all Informal GRC advice letters (see Industry Rule 3.2 (b)), when an interim or final rate increase is approved, the utility shall provide customer notice when the compliance advice letter is submitted for filing using the notice form provided by Water Division.

If the advice letter requests approval of a contract or other deviation, the utility shall notify the customer or other entity that entered into the contract or is the subject of the deviation by providing a copy of the advice letter and a statement that the customer has the right to take exception to or seek modification of the advice letter by filing a protest.

4.2. Other Notice

(see General Rule 4.3)

At the time of submitting the advice letter for filing, the utility shall furnish a copy of the advice letter, a copy of each of the related tariff sheets (if any) and, if requested, a copy of its workpapers to the following. At the option of the recipient, the utility may furnish, in lieu of the advice letter, tariffs and workpapers, a notice of availability containing a description of the filing and a contact from whom it can be obtained:

- (a) Municipalities, counties or other governmental agencies in or partially in the service area affected;

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- (b) Adjacent utilities, either privately or publicly owned;
- (c) Other interested parties, such as parties of record in a related proceeding or having a specific interest in the advice letter;
- (d) Any other person if so ordered by the Commission, or required by the Public Utilities Code (e.g., PU Code Section 729.5);
- (e) For extensions of service area, the following entities:
 - (1) Local Agency Formation Commission (LAFCO);
 - (2) Any landowners in the area being added to the service area;
 - (3) the local fire protection agency; and
 - (4) the local subdivision permitting agency.
- (f) Competing utilities, either privately or publicly owned (the utility may charge no more than \$0.20 per page for this service);
- (g) Utilities, either privately or publicly owned, having requested such notification (the utility may charge no more than \$0.20 per page for this service); and
- (h) Anyone who has requested such notification (the utility may charge no more than \$0.20 per page for this service).

5. Protests

(see General Rule 7.4)

5.1. Method

The protestant must submit the protest for filing by letter, facsimile or electronic mail (see Industry Rule 3 for addresses), and serve the protest on the subject utility to the employee designated in the utility's advice letter to receive the protest.

5.2. Service After Protest

Even if a protest is filed, it need not impede the provision of service. Either the utility or the protestant may request that the Commission require by Resolution that service be provided pending resolution of the protest. In the case of a contract or other deviation where the protestant requests service, the protestant must deposit with the Commission

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any money in dispute pending disposition of the advice letter in order to receive service during the interim.

6. Comments

All comments shall be available to the utility from the Water Division upon request. Identifying information shall be deleted upon request of the person providing the comments. For advice letters subject to disposition under Industry Rule 7.2, the number and types of comments shall be indicated in the resolution.

7. Disposition

(see General Rule 7.6)

Prior to acceptance for filing, each advice letter tendered shall be reviewed by staff for compliance with these Industry Rules, the General Rules and the authorizing resolution or decision. If an advice letter is incomplete or defective on its face, staff shall so inform the utility and may delay the filed date until corrections are made.

7.1. Ministerial Review

(see General Rule 7.6.1 and Industry Rule 11)

7.1.1. Effective Dates Generally

(see PU Code Section 455)

Unless it is rejected for filing or approval is delayed by staff, an advice letter subject to review under this Industry Rule will become effective when specified in the applicable resolution or decision to which the advice letter responds, or 30 business days after the advice letter is submitted for filing if the effective date is not otherwise specified, or a later date if requested by the utility. Staff may delay these dates as explained in Industry Rule 7.1.2. Compliance advice letters are normally effective five days after filing. An advice letter other than a compliance advice letter may be made effective in less than 30 business days in an emergency if justified.

7.1.2. Review, Delay in Disposition

After filing, each advice letter shall be reviewed by staff to determine whether the proposed action is within the scope of what has already been authorized by

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statute or Commission order and to assure that all data and calculations are correct. Supporting workpapers shall be free of material errors and shall follow the approved methodology. Staff may require additional data or explanations from the utility. If additional information or research is needed to adequately review an advice letter submitted under this Industry Rule, staff may delay the disposition by up to 120 days from the date when it would otherwise have been effective by noticing the utility and any protestants by letter and publishing the notice and length of delay in the Daily Calendar. If the advice letter is rejected, staff will inform the utility by letter.

7.1.3. Additional Procedures for Service Area Extensions (see PU Code Section 2709)

At least 30 business days prior to commencing service in an area contiguous to its existing service area, or within the same city or the same city and county in which the utility is already providing service, or before taking ownership of a mutual water company as defined in PU Code Section 2705, the utility shall file a service area map delineating the added territory. Emergency advice letters requesting approval of service area extensions in less than 30 business days may be approved by staff if justified. Before commencing service in any other area, the utility shall request and receive certification by formal application (see PU Code Section 1001).

7.1.4. Additional Procedures for Contracts or Other Deviations (see PU Code Sections 532 and 2712)

All public water and sewer system services shall be provided according to a tariff or using the standard form contracts in the tariff book unless a contract or other deviation has been reviewed and approved per this Industry Rule. When a contract rate, deviation from tariffed service conditions, deviation from a standard form contract or modification to or deletion of an existing contract is desired, the utility shall file an advice letter, requesting approval of the contract or other deviation and updating its List of Contracts and Deviations (see General Rule 8.5.6) at least 30 business days prior to the effective date of the rate or service. Emergency advice letters requesting approval of contracts or deviations, including service to governmental agencies at other than tariffed rates, may be approved in less than 30 business days by staff subject to refund.

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Each contract shall contain substantially the following provisions:

(1) "This contract shall not become effective until authorization of the California Public Utilities Commission is obtained."

and

(2) "This contract shall at all times be subject to such modifications by the California Public Utilities Commission as it may, from time to time, direct in the exercise of its jurisdiction."

7.2. Discretionary Review

(see General Rule 7.6.2 and Industry Rule 11)

7.2.1. Effective Dates, Review

Staff shall prepare a resolution for Commission consideration no more than 30 business days after filing unless staff determines that the advice letter does not adequately support its requested action or if supporting workpapers are not free of material errors or do not follow the approved methodology, in which case staff shall request additional data or clarifying explanations in accordance with PU Code Section 581 within 30 days. If additional information or research is needed to adequately review an advice letter submitted under this Industry Rule, staff may delay the disposition by up to 120 days from the date when it would otherwise have been effective by noticing the utility and any protestants by letter and publishing the notice and length of delay in the Daily Calendar. If the data or explanations tendered are inadequate to support the requested action, staff may request additional data or clarifying explanations or may recommend that the Commission reject the advice letter (see Industry Rule 7.2.3) and suggest the utility file a formal application. Informal GRCs shall follow the schedule in Standard Practice U-3-W (Service Guarantee Plan).

7.2.2. Approval in Part

If staff finds the advice letter to be complete but not reasonable in its entirety, it may draft a resolution for Commission consideration approving part of or a modification to the utility's request (see Industry Rule 7.2.3).

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7.2.3. Proposed Resolution

If staff recommends rejection of an advice letter or approval of a protested advice letter, or if staff drafts a resolution recommending approval in part or a modification to the utility's request, staff shall provide a copy of the proposed resolution to the utility, and protestants if any, at least 20 days prior to the Commission meeting at which the resolution is scheduled to be considered. The utility or protestants may comment (see Industry Rule 6) on the proposed resolution within 10 days of receipt to the Director of the Water Division (see Industry Rule 3.1). The Division Director may extend the 10 day deadline for good cause. The resolution as adopted by the Commission is subject to appeal under General Rule 7.7.2.

7.2.4. Additional Procedures for Recycled Water Service

(see PU Code Section 455.1)

If an advice letter requesting an initial rate or a rate increase for recycled water service is protested, the matter shall be set for hearing and the tariff schedules shall become effective on the thirtieth business day after filing subject to refund. Staff may require additional information from the utility, as described in Industry Rule 7.2.1, and if the utility provides a correct and complete response within 10 days of being so informed, the tariff schedules in the revised filing shall become effective on the fifth business day after filing, subject to refund.

7.2.5. Additional Procedures for Withdrawal of Service

(see PU Code Sections 2710 and 2711)

Each water or sewer system utility shall provide service to any and all entities in its service territory on demand in accordance with its tariffs. If a water shortage exists, or the California Department of Health Services imposes a service connection moratorium, or other good cause requires the utility to deny service, the utility shall first file an advice letter requesting approval to withdraw service from all or part of its service territory or to have the Commission impose a service connection moratorium (see PU Code Section 2708) at least 30 business days prior to the withholding of service.

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8. Revising Advice Letters

(see General Rule 7.5)

8.1. Advice Letter Supplements

(see General Rule 7.5.1)

All changes to rates that are caused by miscalculations in the workpapers or in the weather normalized means test shall require a supplement. Any changes that result in a higher rate, or lesser level of service, from that noticed in the original advice letter shall require a new advice letter.

8.2. Slip Sheets

(see General Rule 7.5.2)

A slip sheet, also known as a substitute sheet, may be filed by the utility or created by staff. A slip sheet may be used to add information that is already on the tariff sheet being replaced but is missing from the filed tariff sheet, to correct typographical errors so long as the corrections do not result in an increase in rates or a decrease in service, or to conform the tariff sheet to the proper form and content if there are multiple pending advice letters and an advice letter filed earlier has not yet been approved or has been rejected. Such slip sheets shall be made available on request but may be used without being served on the persons receiving the original advice letter.

9. The Tariff Book

9.1. Location and Access

(see General Rules 4.1 and 8.1; PU Code Section 489)

Each regulated water and sewer system utility shall maintain a tariff book of presently effective tariffs open for public inspection, along with a copy of pending advice letters, at the utility's main office and at each district office in California. A utility providing both water and sewer system services shall maintain separate tariff books for the respective services. The utility shall provide copies of tariff pages and pending advice letters on request, and may charge no more than \$0.20 per page for this service. At the utility's option, it may provide electronic access in lieu of a printed tariff book and copies of pending advice letters. In that case, the utility shall provide the ability to print its tariffs and advice letters at its main and district offices, and may charge no more than \$0.20 per page for printouts.

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The Commission shall maintain a tariff book for each water and sewer system utility at three locations:

- (a) in the Water Division;
- (b) in the Consumer Affairs Branch in San Francisco; and
- (c) in the Consumers Affairs Branch in Los Angeles.

9.2. Notice of Availability

(see General Rule 4.1)

Each utility shall post in a conspicuous place in its main office, in each of its district offices in California, and in its monthly bills, a notice stating that copies of the schedules of rates may be inspected by anyone desiring to do so. The notice shall include information on how to view the tariffs and rate schedules.

9.3. Content

(see General Rules 8.5 and 8.5.5)

- (a) Water Rate Schedules shall have the format shown in Exhibit D and shall be arranged in the following order by district:

Schedule No:

1. General Metered Service
2. Flat Rate Service
3. Irrigation Service
4. Fire Sprinkler Service
5. Private Fire Protection Service
6. Reclaimed (Recycled) Water Service
7. Construction and Other Temporary Metered Service
8. Service to Employees

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9. Water Conservation Plan

followed or preceded by schedules applicable to multiple districts such as:

Schedule No. UF—Surcharge to fund Public Utilities Commission Reimbursement Fee

Schedule No. LC—Late Payment Charge

(b) Sewer System Rate Schedules shall be arranged in the following order by district:

Schedule No:

1 Sewer Service or General Residential Service

2 Commercial and Industrial Service

followed or preceded by schedules applicable to multiple districts such as:

Schedule No. UF—Surcharge to Fund Public Utilities Commission Reimbursement Fee

Schedule No. LC— Late Payment Charge

(c) Tariff Rules. (see General Rule 8.5.7) If applicable, water and sewer system tariff books shall contain the following additional Tariff Rules numbered as follows:

Tariff Rule No. 17 Standards for Measurement of Service—Method of measuring, accuracy limits.

Tariff Rule No. 18 Meter Tests and Adjustment of Bills for Meter Error— Specifies conditions, fees, and frequency of tests.

Tariff Rule No. 19

For water companies: Supply to Separate Premises and Multiple Units— Separate metering on separate premises

For sewer system companies: Resale of (Sewer) Service— Conditions for resale.

Tariff Rule No. 20

For water companies: Water Conservation—Use of water saving devices, provision of free water saving kits.

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For sewer system companies: Limitation on Wastes Discharged into the Utility's Sewer System—Items that shall not be disposed of through the sewer system.

Tariff Rule No. 21

For water companies: Fire Protection—General rules for fire protection service.

For sewer system companies: Commercial, Institutional and Industrial Wastes—Notice of waste discharge and preliminary treatment.

10. Tariff Sheets

Tariff sheets shall not contain handwritten marks or alterations unless approved by staff.

10.1. Form and Content

(see Exhibit E to these Industry Rules)

Only one side of a sheet may be used.

Water and sewer system service area maps shall be of such detail to clearly indicate if a particular parcel is included in a service territory. Each service area map shall be 7 x 8 3/4 inches in size, or folded to that size so that it will fit within the space provided on a tariff sheet. Maps may be larger than 7 x 8 3/4 inches when filed separately from the tariff book, in which case they shall be referenced on the appropriate tariff sheet.

10.2. Canceled, Rejected or Withdrawn Tariff Sheets

Staff shall stamp all copies of each sheet "Sheet Canceled", "Sheet Rejected" or "Withdrawn" in the appropriate place or places. One copy shall be returned to the utility. All canceled, rejected, or withdrawn tariff sheets shall be removed from the tariff book. The utility shall maintain, in an appropriate records retention system, a permanent file containing canceled, rejected, or withdrawn tariff sheets in numerical order for ten years following date of cancellation, rejection or withdrawal.

11. Classification of Advice Letters by Type of Review

(see General Rule 7.6.1 — Ministerial Review, and General Rule 7.6.2 — Discretionary Review)

In general, the following advice letters will be subject to review as specified. Any advice letter that is defective on its face, however, shall be rejected by staff.

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By Title

Attrition Filings (see May 1, 1995 Procedural Guideline—"New Procedures for Filing Step Increases, Attrition and Offset Advice Letters") — Ministerial

Balancing Account offset recovery – Discretionary

Catastrophic Event Memorandum Account (CEMA, see PU Code Section 454.9) offset recovery – Discretionary

Changes in Ownership Due to Probate — Discretionary

Changes to Forms — Ministerial

Closing a Tariff Schedule to New Customers— Discretionary

Consumer Price Index offset recovery (see D. 92-03-093, March 31, 1992) — Ministerial

Contracts or Deviations — Ministerial unless protested and interim service is provided subject to refund

Deleting a Tariff Schedule Which Has No Customers — Ministerial

Decrease in Rates — Ministerial

Department of Health Services, Office of Drinking Water (DHS) memorandum account offset recovery (see resolution W-4013, December 20, 1996) — Ministerial

Exceptions to Water Industry Rules — Discretionary

Expense offset recovery (Balancing Accounts) (See May 1, 1995 Procedural Guideline—"New Procedures for Filing Step Increases, Attrition and Offset Advice Letters") — Discretionary

Extension of Service into Contiguous Territory or Acquisition of a Mutual Water Company — Ministerial

Informal General Rate Increase Requests by Class B, C and D Water and Sewer Utilities (see D.92-03-093, March 31, 1992)— Discretionary

Informational Advice Letters — Ministerial

Loans or Stock Sale permission requests by Class C and D Water Utilities (see Procedural Guideline 3-95 "Small Water Company Advice Letter Filings for Financing") — Discretionary

Memorandum Account Recovery Requests (for Class B, C or D water utilities only) — Discretionary

Miscellaneous Filings — Discretionary

Requests to establish a new Memorandum Account — Discretionary

New Service Offerings — Ministerial

Rate Base offset recovery — Discretionary

Rate Decrease Requests — Ministerial

Satellite Services (San Jose Water Co.)—Ministerial

Service Area Extensions — Ministerial (Water Supply Questionnaire may be required)

Step Increase Filings (See May 1, 1995 Procedural Guideline—"New Procedures for Filing Step Increases, Attrition and Offset Advice Letters") — Discretionary

Tariff Changes Authorized by a Decision — Ministerial

Unanticipated Repair Cost Memorandum Account offset recovery (see D.92-03-093, March 31, 1992) — Discretionary

Utility Tax pass-through (see PU Code Section 799) — Discretionary

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Withdrawal of Service from an existing territory — Discretionary

By Type

Ministerial (see General Rule 7.6.1)

Attrition Filings (See May 1, 1995 Procedural Guideline—"New Procedures for Filing Step Increases, Attrition and Offset Advice Letters")

Changes to Forms

Consumer Price Index (CPI) Offsets

Contracts or Deviations

Decrease in Rates

Deleting a Tariff Schedule Which Has No Customers

Department of Health Service, Office of Drinking Water (DHS) Offsets

Extension of Service into Contiguous Territory or Acquisition of a Mutual Water Company

Informational Advice Letters

New Service Offerings

Service Area Extensions (Water Supply Questionnaire may be required)

Tariff Changes Authorized by a General Rate Case Decision or Resolution

Discretionary (see General Rule 7.6.2)

Balancing Account Offset recovery (see May 1, 1995 Procedural Guideline—"New Procedures for Filing Step Increases, Attrition and Offset Advice Letters")

Catastrophic Event Memorandum Account (see PU Code Section 454.9) offset recovery

Changes in Ownership Due to Probate

Closing a Tariff Schedule to New Customers

Exceptions to Water Industry Rules

Expense Offsets (Balancing Accounts) (see May 1, 1995 Procedural Guideline—"New Procedures for Filing Step Increases, Attrition and Offset Advice Letters")

Informal General Rate Increase Requests by Class B, C and D Water and Sewer Utilities (see D.92-03-093, March 31, 1992)

Loans or Stock Sale permission requests by Class C and D Water Utilities (see 3-95 Procedural Guideline—"Small Water Company Advice Letter Filings for Financing")

New Memorandum Account Requests

Memorandum Account Recovery (for Class B, C or D water utilities only)

Requests to establish a new Memorandum Account

Rate Base Offset

Step Increase Filings (See May 1, 1995 Procedural Guideline—"New Procedures for Filing Step Increases, Attrition and Offset Advice Letters")

Unanticipated Repair Cost Memorandum Account offset recovery

Utility Tax pass-through (see PU Code Section 799)

Withdrawal of Service from an existing territory

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Exhibit A Example Advice Letters

(Letterhead if Available)

Advice Letter No. 123 Any Water Company (U 456 W) December 31, 1999

Public Utilities Commission of the State of California

TYPICAL WORDING FOR FILING NEW TARIFF SCHEDULES (do not include text in square brackets []). This text is for reference only.)

Any Water Company requests ministerial review and approval of the changes in the following tariff schedules applicable to its _____(District)_____.

Cal P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The effective date of the tariff schedules is requested to be _____.

Notice has been provided as required by GO 96. The Service List is attached to this Advice Letter (or "This Advice Letter was served on the same parties as Advice Letter #_____, dated _____.")

[Justification paragraph:]

These tariff changes are being submitted pursuant to D._____, dated _____ in A._____. (or) Resolution _____, dated _____.

TYPICAL WORDING FOR A DHS OFFSET (replace the [Justification paragraph:] above with:)

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Exhibit A Example Advice Letters

Assembly Bill 2158, in adding Sections 4020 and 4020.5 to the Health and Safety Code, directs the Department of Health Services to charge the utilities within its jurisdiction for all operating costs. The legislation also authorized these costs to be passed on to those utilities' customers. Additionally, Assembly Bill 3483 extends the sunset date for Public Water System fees from January 1, 1997 to January 1, 2002. Commission Resolution W-3784, dated June 23, 1993, authorizes Any Water Company to file the attached rate schedules, and to concurrently withdraw and cancel its present rate schedules for such service.

Any Water Company has duly established the required memorandum accounts and recorded therein the amount of \$_____ in the _____ District(, \$_____ in the _____ District, etc.) representing the DHS regulatory expenses paid by the Company for this (each of the) district(s). Only normal expenses have been booked. All fines or penalties have not been included.

TYPICAL WORDING TO OFFER NEW SERVICE (replace the [Justification paragraph:] above with:)

This filing provides a new service not previously offered or furnished. This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with other schedules or rules.

(Include a brief description of the new service.)

TYPICAL WORDING FOR A CHANGE IN SERVICE TERRITORY (replace the [Justification paragraph:] above with:)

The purpose of this filing is to update and to extend our Gamma service area boundary to include two new areas. The areas are identified as follows:

- (1) North Grove Subdivision
- (2) Gamma Heights Subdivision

APPENDIX D

Exhibit A Example Advice Letters

North Grove is an existing residential area with individual private wells which do not meet State water quality standards. The State Department of Health Services has advanced the cost of extending Any Water Company's lines to this area to make a safe water supply available. A full accounting of these new facilities is contained in the Workpapers.

Gamma Heights Subdivision has received final approval from the local permitting agency and is presently under construction. The developer of Gamma Heights has requested service and entered into a main extension agreement. The Water Supply Questionnaire (Number) was approved by the CPUC on _____.

Any Water Company is installing all facilities.

(or)

The developer has completed installation of all facilities, and Any Water Company has inspected and accepted them.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with other schedules or rules.

TYPICAL WORDING TO CLOSE AN EXISTING TARIFF SCHEDULE OR SCHEDULES (replace the [Justification paragraph:] above with:)

The city of Gamma is requiring water meters to be installed on all new construction (ordinance attached). Any Water Company requests approval to close its schedule No 2, Residential Flat Rate Service, to all new connections.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with other schedules or rules for existing customers.

TYPICAL WORDING FOR AN OFFSET ADVICE LETTER (replace the [Justification paragraph:] above with:)

APPENDIX D

Exhibit A Example Advice Letters

The present rates became effective _____ pursuant to Decision No. _____, dated _____. No allowance was made for future changes in rates for purchased water, for purchased power or for water testing.

The following table summarizes the expense increases requested in this advice letter, which are detailed in the workpapers:

Item	Expense Increase
Purchased Water	\$ _____
Purchased Power	\$ _____
Water Testing	\$ _____
Total	\$ _____

The Commission staff has been furnished copies of the detailed workpapers showing the rate of return on rate base for a current twelve-month period based on recorded data and adjusted for rate-making purposes.

TYPICAL WORDING FOR A WITHDRAWAL

Any Water Company hereby withdraws the subject advice letter.

Advice Letter No. 123 was filed to _____. Any Water Company will file a new Advice Letter to _____ at a later date.

APPENDIX DExhibit B
Example Title Page

ANY WATER COMPANY (U456W)

Gamma, California

Canceling

RevisedRevisedCal. P.U.C. Sheet No. 123-WCal. P.U.C. Sheet No. 101-W

TARIFF SCHEDULES

Applicable To

WATER SERVICE

including

Rates and Rules
Affecting Rates and Services

of

ANY WATER COMPANY (T)

(Name of Utility)

456 West Delta Street, Post Office Box 123, Gamma, CA 91234

(Mailing Address)

(T)

Operating In or Near

Gamma, Gamma County, Calif.

(City or Town and County)

Contact Person: Mr. or Mrs. Roger W. Any

Telephone No. _____

(Mailing Address if different from above)

The following tariff schedules embracing Rates and Rules have been regularly filed with the Public Utilities Commission of the State of California and are the effective rates and rules of this utility.

No officer, inspector, solicitor, agent or employee of the utility has any authority to waive, alter or amend these tariff schedules or any part thereof in any respect.

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 123Roger W. AnyDate Filed Jan 01 1999

Chief Financial

Effective Jan 06 1999Dec. No. D.98-12-023Officer & TreasurerResolution No. W-9999

TITLE

APPENDIX D

Exhibit C
Example Preliminary Statement

ANY WATER COMPANY (U456W)	<u>Original</u>	Cal. P.U.C. Sheet No. <u>39-W</u>
Gamma, California	Canceling	Cal. P.U.C. Sheet No. _____

PRELIMINARY STATEMENT
(Continued)

G. CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA):

1. PURPOSE: The purpose of the CEMA is to recover the costs associated with the restoration of service and Any Water Co. facilities affected by a catastrophic event declared a disaster or state of emergency by competent federal or state authorities. The balance in the CEMA will be recovered in rates after CPUC review and audit of the recorded CEMA balance. The authority to establish this account was granted in CPUC Resolution E-3238, dated July 24, 1991 and Public Utilities Code Section 454.9.

Should a disaster occur, Any Water Co. will inform the Executive Director of the CPUC by letter within 30 days after the catastrophic event that Any Water Co. has started booking costs in the CEMA.

The letter shall specify the declared disaster, date, time, location, service area affected, impact on Any Water Co.'s facilities, and an estimate of the extraordinary costs expected to be incurred, with costs due to expenses and capital items shown separately.

Any Water Co. shall not record any capital costs or expenses incurred prior to the start of the declared disaster or state of emergency, as identified by the appropriate Authorities, pursuant to Government Code Sections 8558, 8588, and 8625, or comparable federal authority.

Descriptions of the terms and definitions used in this section are found in Rule 1.

2. APPLICABILITY: The CEMA balance will be recovered from all customer classes, except those specifically excluded by the CPUC.
3. CEMA RATES: The CEMA does not currently have a rate component.
4. ACCOUNTING PROCEDURE: Upon declaration of a disaster or state of emergency, Any Water Co. shall maintain the CEMA from the date of the event causing the disaster occurred by making entries to this account at the end of each month as follows:
- a. A debit entry equal to the amounts recorded in Any Water Co.'s Operations and Maintenance, and Administrative and General Expense Accounts that were incurred as a result of the disaster and related events.

(To be inserted by utility)	Issued by	(To be inserted by Cal. P.U.C.)
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Advice No. <u>123</u>	<u>Roger W. Any</u>	Date Filed <u>Feb 15 1999</u>
	<u>Vice President</u>	Effective <u>Mar 14 1999</u>
Dec. No. <u>D.98-12-023</u>	<u>Regulatory Affairs</u>	Resolution No. <u>W-9999</u>

TITLE

APPENDIX D

Exhibit C
Example Preliminary StatementANY WATER COMPANY (U456W)
Gamma, CaliforniaOriginal
CancelingCal. P.U.C. Sheet No. 40-W
Cal. P.U.C. Sheet No. _____

PRELIMINARY STATEMENT (Continued)

G. CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA): (Cont'd.)

4. ACCOUNTING PROCEDURE: (Cont'd.)

b. A debit entry equal to:

(1) depreciation expense on the average of the beginning and the end-of-month balance of plant installed to restore service to customers, or to replace, repair, or restore any plant or facilities, or to comply with government agency orders, in connection with events declared disasters, at one-twelfth the annual depreciation rates approved by the CPUC for these plant accounts; plus

(2) the return on investment on the average of the beginning and the end-of-month balance of plant installed to restore service to customers or replace, repair, or restore any plant or facilities, or to comply with government agency orders, in connection with events declared disasters, at one-twelfth of the annual rate of return on investment last adopted for Any Water Co. by the CPUC; plus

(3) the return on the appropriate allowance for working capital using calculations last adopted by the CPUC for Any Water Co., and the return in G.4.b.2 above; plus

(4) the return on net cost of removal of facilities required as a result of the disaster and related events, using the rate of return in G.4.b.2 above; less

(5) the return on the average of beginning and end-of-month accumulated depreciation, and on average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, using the rate of return in G.4.b.2 above.

c. A debit entry equal to federal and state taxes based on income associated with item G.4.b above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the percentage of net investment last adopted by the CPUC with respect to Any Water Co..

d. A credit entry to transfer all or a portion of the balance in this CEMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 123Roger W. Any
Vice PresidentDate Filed Feb 15 1999Dec. No. D.98-12-023Regulatory AffairsEffective Mar 14 1999Resolution No. W-9999

TITLE

APPENDIX D**Exhibit D
Example Rate Schedule**ANY WATER COMPANY (U456W)
Gamma, CaliforniaRevised
Canceling OriginalCal. P.U.C. Sheet No. 121-W
Cal. P.U.C. Sheet No. 8-W

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to general metered water service.

TERRITORY

The city of Gamma and contiguous territory in the County of Gamma.

RATES

Quantity Rates:

Per 100 cu. ft..... \$1.00

Service Charge

Per Meter Per Month

For 5/8 x 3/4-inch meter.....	\$ 1.00	(I)
For 3/4-inch meter.....	1.50	
For 1-inch meter.....	2.50	
For 1-1/2-inch meter.....	5.00	
For 2-inch meter.....	8.00	
For 3-inch meter.....	15.00	
For 4-inch meter.....	25.00	
For 6-inch meter.....	50.00	
For 8-inch meter.....	80.00	
For 10-inch meter.....	115.00	
For 12 inch meter.....	165.00	
For 14-inch meter.....	225.00	(I)

The service charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITION

1. Due to the gain on sale of property, a flat surcredit of \$0.10 per service connection per month is to be subtracted from the bill for thirty-six billing cycles commencing with billing cycle one on April 3, 1999.

(continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice No. 123Roger W. AnyDate Filed Feb 15 1999

Vice President

Effective Mar 14 1999Dec. No. D.98-12-023Regulatory AffairsResolution No. W-9999

TITLE

APPENDIX D

Exhibit E

Tariff Sheet

Revised Cal. P.U.C. Sheet No. _____
 Canceling Original Cal. P.U.C. Sheet No. _____



(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Ltr. No. _____

Date Filed _____

Effective _____

Dec. No. _____

Resolution No. _____

TITLE

(END OF APPENDIX D)